

**Senate Committee on Commerce, Science, and Transportation**  
**Written Questions for the Record from Chairman John Thune to Daniel Maffei**  
**Nominee to be a Commissioner at the Federal Maritime Commission**

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1. The International Maritime Organization has issued an amendment that will go into effect on July 1, 2016, with guidelines for shippers to provide ocean carriers with the verified gross mass of each one of their shipping containers before the containers can be loaded aboard a vessel. Shippers have expressed concern and provided specific examples of the need for acceptance of a weight variance and other allowances. They have also noted that no electronic system has yet to be fielded that will facilitate a seamless transmittal of the verified gross mass to ocean carriers and terminal operators. If left unresolved or inappropriately implemented, these issues could result in significant delays and bottlenecks at already congested ports, as well as substantial costs for shippers. Do you see a role for the FMC in the resolution of this process prior to July 1st, and -- if so -- what would you do to ensure the IMO amendment does not lead to an undue burden or unintended consequences for shippers?

If after July 1, 2016 shippers report to the FMC that they are experiencing unnecessary delays, costs, and lost business opportunities resulting from slow deployment of requisite electronic data interchange systems necessary to transmit verified gross mass or any other issue related to the implementation of the guidelines, does the FMC possess specific authorities that could be utilized to examine or help address the issue?

**While the FMC does not have the authority to postpone implementation or phase-in enforcement of the IMO amendment – that authority belonging to the U.S. Coast Guard – I do see a productive role for the FMC to play, both prior to July 1<sup>st</sup> and after.**

**As a former U.S. Representative from a largely agricultural district, I am aware of how the rapid implementation of the new mandate could especially harm agricultural shipping. The FMC needs to ensure that all stakeholders and government agencies understand that, due to the perishable nature of many agricultural goods, any additional waiting time needed to comply with the new mandate may be the equivalent of destroying the product completely. Furthermore, due to the low profit margins on many agricultural products, any increase in the cost of shipping – even if seemingly nominal – may greatly reduce the shipping of such goods and upset both import and export markets. Also, agricultural and forest products undergo natural changes during transit requiring at least some sort of variance for any weight reporting regulation to be workable.**

**In consultation with members of the House and Senate representing districts and states with various shipping industries, the FMC should ensure that stakeholders and agencies understand the difficulties shippers will face in meeting the container weight mandate. To the extent possible, decisions on how to cope with the new IMO amendment should be informed by the challenges that shippers face in using currently available facilities and procedures to establish the verified gross mass (VGM) of the containers. Furthermore, it must be made clear to shippers what sort of variance would be allowed in complying with the container weight mandate. Given the variability between enforcement rules and mechanisms in all of the IMO countries, it make sense that IMO enforcement entities would have at least some discretion as to enforcing the mandate.**

**The FMC has already helped facilitate a discussion with the U.S. Coast Guard, which took place on February 18, 2016. However, the FMC should facilitate additional communications among shippers in all industries, the Coast Guard, carriers and other stakeholders. This might take the form of creating a “working group.”**

**One of the central issues facing our shippers as they cope with the new mandate is lack of industry coordination. For example, some terminals will offer weighing services and others will not. Some will turn away noncompliant containers at the gate and others will place the container in storage at the facility. And there is a large discrepancy as to when exactly the VGM will be required by the carrier and in what form (electronic or paper). After July 1, 2016, FMC can help facilitate mutually beneficial agreements among stakeholders. The FMC has the authority to review such agreements with the goal of reducing unnecessary delays, costs, and lost business opportunities. With the support of FMC Chairman Mario Cordero and the other commissioners, Commissioner Rebecca Dye is already leading a supply chain innovation project to take these steps.**

**In conclusion, I see the FMC acting as a catalyst to help stakeholders collaborate with one another on best practices, escape their “silos” in favor of a broader view of shipping efficiency, and develop commercial solutions to challenges posed by the new requirements, including guidelines for electronic data interchange. Commissioner Dye’s efforts fit right in here and I plan to follow her leadership and that of Chairman Cordero.**

2. During a July 7, 2015 hearing, the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security received testimony stating that innovative technology trends in automation – including automated stacked cranes, automated guided vehicles, and other developments – increase the productivity and safety of our nation’s ports. One of the most prominent examples is the Port of Long Beach’s \$1.3 billion Middle Harbor Project. To what extent do you find increased automation at ports to be a positive change for the maritime industry and our nation’s supply chain, and what do you see as the role of the FMC in interfacing with these emerging trends?

**Automation at the ports can and should be very positive. However, how the new technology is introduced and incorporated is important in maximizing the benefits of automation and reducing the downsides. So far, it looks like the Port of Long Beach is an example of a positive way of implementing automation and other technological changes that have increased efficiency, decreased costs to shippers, made the port safer, and reduced pollution. By working in a collaborative spirit with labor organizations, new training programs are being established to train workers to use the new automated equipment. Provided the new technology is properly installed and used, the added capacity of a port to decrease congestion while handling more goods can lead to more job creation as well as lower costs for shippers.**

**The FMC’s role in interfacing with the trend towards automation includes promoting best practices and identifying examples (in the country and throughout the world) of where these are implemented. The FMC should also work with stakeholders such as port authorities, shippers, and labor organizations to smooth out the costs and benefits of automation so that all parties see it as advantageous. Working with other agencies of the Federal government as well as states, port authorities, local communities, and private sector partners, the FMC can also play a positive role in ensuring that technological advancements at the ports mesh with development of landside infrastructure, which unfortunately often lags behind and thus reduces the benefits of port automation.**